

# **RETIREMENT LAWS COMMITTEE**

## **Study Assignment**

A continuing study of the pension, annuity, and benefit laws relating to employees and officers in public service.

## **Summary of Interim**

The investment fund is still in very good condition, despite the unfavorable market. Investment Officer Steve Myers reported that the plan had a positive return of 7.12% as of June 16, 2003. At the end of the previous year, SDRS's market value funded ratio was 101% and ranked third out of forty-four in a study of comparable state retirement systems.

The Board discussed possible solutions to those benefits that have a higher than expected cost or those that have potential for abuse. The Board will propose legislation to address the following questions:

- What pay should be included when calculating a member's final average compensation?
- What is an appropriate rate to charge for optional spouse coverage?
- What is an appropriate rate of interest on refunds from the system?
- What is an appropriate rate for the purchase of credited service?
- What should SDRS's policy be regarding members who retire and then are rehired?
- What are the actuarial conditions that would require a report to the Legislature on the financial status of the system?

Long time SDRS administrator Al Asher resigned his position earlier this year. Rob Wylie was appointed as the system's new administrator in August. He first joined the SDRS staff in 1982 and for the past 15 years he has served as the system's finance officer.

## **Listing of Legislation Adopted**

None.

## **Summary of Meeting Date & Places and Listing of Committee Members**

The committee met two times, both jointly with the Board of Trustees of the South Dakota Retirement System, in Pierre at the Ramkota River Centre. The meetings were held on June 18 and December 20, 2003.

Committee members were: Representative Matthew Michels (Chair); Senator Kenneth D. Albers (Vice Chair); Senators William Earley, Clarence Kooistra, Dan Sutton, and Paul Symens and Representatives Burt Elliott, Mel Olson, Tim

Rounds, and Lou Sebert.

Staff members were Annie Mehlhaff, Principal Fiscal Analyst, and Kris Schneider, Legislative Secretary.